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PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997

Budget of the International Seabed Authority for 1997

Third report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the note by the Secretary-General containing the budget of the International Seabed Authority for 1997 (A/C.5/51/21). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. As recalled in paragraph 2 of the Secretary-General's note transmitting the budget, the General Assembly, in its resolution 48/263 of 28 July 1994, decided to fund the administrative expenses of the International Seabed Authority through the budget of the United Nations until the end of the year following the year during which the Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea entered into force.

3. Furthermore, as indicated by the Advisory Committee in paragraph 6 of its previous report on the subject (A/50/7/Add.6), as long as the budget of the International Seabed Authority is to be financed by the regular budget of the United Nations, the approval of the funding must be in accordance with Article 17 of the Charter of the United Nations, that is, the budget would have to be approved by the General Assembly after review by the Advisory Committee.

4. The Advisory Committee notes that, as indicated in paragraph 4 of the budget (A/C.5/51/21, annex), the Implementing Agreement entered into force on 28 July 1996. Therefore, 1997 will be the last year in which the budget of the Authority is to be funded from the budget of the United Nations.

5. The Secretary-General of the United Nations, pending the election of the Secretary-General of the Authority, submitted to the General Assembly, at its

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fiftieth session, a draft budget covering the administrative expenses of the secretariat of the Authority and the conference-servicing costs for 1996 (A/C.5/50/28). The General Assembly subsequently approved the amount of $2,627,100, which included a provision of $1,308,200 to meet administrative expenses of the secretariat, and $1,318,900 to cover conference-servicing expenses. The latter amount was to be met from the resources appropriated under section 26E of the proposed programme budget for the biennium 1996-1997. As regards the amount for administrative expenses, the Secretary-General retained the 1994-1995 appropriation of $776,000 as a resource base for 1996-1997. Subsequently an additional appropriation of $532,200 was approved for the 1996 budget of the Seabed Authority under section 33 of the proposed programme budget for 1996-1997, as recommended by the Advisory Committee in its report of 6 December 1995 (A/50/7/Add.6).

6. The Committee notes, however, that the General Assembly, in paragraph 72 of section III of its resolution 50/214 of 23 December 1995, states the following:

> "The General Assembly,
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> "...
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> "72. Also approves the level of resources for administrative expenses of the International Seabed Authority recommended by the Advisory Committee on the understanding that expenditures beyond an amount of 776,000 dollars would, on an exceptional basis, be absorbed under section 31 of the proposed programme budget."

7. The budget of the United Nations is biennial, but the budget of the Seabed Authority is annual; clarification is therefore needed as to whether the decision cited above applies to the 1997 budget of the Seabed Authority as well as to that for 1996. In this regard, the Advisory Committee points out that at the time the General Assembly adopted resolution 50/214, the Fifth Committee was aware of the Seabed Authority budget estimate for 1996 only. Moreover, the work programme of the Seabed Authority had not yet been determined, since the Secretary-General of the Authority had not yet been appointed. At the same time, however, the Committee notes from the annex to the Secretary-General's report of 14 May 1996 (A/C.5/50/67) that projected expenditure for 1997 for the Seabed Authority was footnoted to read as follows:

> "May be absorbed as offset against section 31 project deferrals to be identified in addition to those incorporated in A/C.5/50/57 proposals (see General Assembly resolution 50/214, sect. III, para. 72)."

Subsequently, the Committee was informed by representatives of the Secretary-General that they no longer believed this could be the case.

8. The Advisory Committee points out that the Secretary-General is proposing an additional reduction of $2 million under section 31 in his report (A/C.5/50/57), to be achieved by the deferral of a number of projects. The Advisory Committee has stated in paragraph 20 of its related report (A/50/7/Add.16) that this may only result in unusually high resource requirements in the following bienniums.

9. The Secretary-General proposes, in paragraph 3 of his note (A/C.5/51/21), to consider the provision of $2,750,500 for administrative expenses of the Authority "in the context of the revised appropriation by the Assembly, after review of all relevant reports, including the first performance report." The General Assembly may wish to consider whether or not the option of using the contingency fund to meet the expenses of the Seabed Authority should be addressed.

10. The activities of the Authority during 1996 are related in large part to the establishment and internal administration of the entity. In paragraph 3 of his note (A/C.5/51/21), the Secretary-General indicates, however, that 1997 will witness the initiation of the substantive work programme of the Authority. The proposed budget for the Authority for 1997, presented in the annex to his note, amounts to $4,150,500. As indicated therein, the estimate is $1,939,500 less than the previously estimated amount of $6,090,000 referred to in the report of the Advisory Committee to the forty-eighth session (A/48/7/Add.16).

11. The Committee notes, as indicated in the breakdown contained in the appendix to the budget, that requirements for posts and common staff costs amount to $1,526,900. The proposed staffing level of 30 posts, bearing in mind the requirements of the substantive work programme for 1997, includes 15 posts in the Professional category and above (1 S-G, 2 D-1, 4 P-5, 3 P-4, 5 P-3) and 15 posts at the General Service level. This represents an increase of 10 posts over 1996. The Committee was further informed that, in accordance with the phasing-in strategy, the level is to increase to 39 posts in 1998 and to 44 posts in 1999, the first year during which the Authority will be functioning at full capacity.

12. The programme of work for 1997 of the four organizational units of the secretariat of the Authority - Office of the Secretary-General, Office of Legal Services and Implementation Affairs, Office of Resources and Environmental Monitoring and Office of Administration and Management - along with the post requirements to implement it, are contained in paragraphs 13 to 33 of the budget (A/C.5/51/21, annex).

13. The appendix to the budget also provides the breakdown of non-post resources required for the administrative expenses of the secretariat in the estimated amount of $1,223,600. The Committee notes a provision of $60,000 for the residence of the Secretary-General of the Authority under rental and maintenance of premises. The Committee was informed, upon inquiry, that the housing arrangement was provided in lieu of any other provision under staff rules. The Committee, however, further inquired with regard to the recommendations made by the Finance Committee, in its report of 14 August 1996, 1/ encouraging the Secretary-General of the Authority to consult the host country concerning the residence to see if the item could be omitted from the budget in the future and to continue to seek to obtain the best possible terms as regards office accommodation. The Advisory Committee understands that the Secretary-General of the Authority will report to the Finance Committee on the results of the above consultations.

14. In paragraph 3 of his note submitting the 1997 budget proposal of the Authority, the Secretary-General indicates that it is anticipated that the

provision of conference services, amounting to $1.4 million, can be provided from within the overall resources available under section 26E of the programme budget. The Advisory Committee further inquired from the Secretariat as to the effect on conference services of the $154 million savings mandated by the General Assembly in its resolution 50/214. The secretariat indicated that although conference services were not exempt from budgetary reductions, the schedule of meetings for 1996-1997 allowed for the provision of four weeks of conference services for the Seabed Authority during 1997.

15. The Advisory Committee recommends the approval of the proposed provision of $2,750,500 for the administrative expenses of the International Seabed Authority for the period 1 January to 31 December 1997, as reviewed by the Finance Committee, and adopted by the Assembly of the International Seabed Authority on 16 August 1996. In this connection the Committee notes that the Finance Committee made a series of recommendations in paragraph 6 of its report 1/ that were adopted by the Assembly.

Notes

1/ ISBA/A/12.